

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
LAFOURCHE PARISH, LOUISIANA**

FINANCIAL REPORT

For the Eighteen Months Ended June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/9/11

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
FINANCIAL REPORT**

For the Eighteen Months Ended June 30, 2010

TABLE OF CONTENTS

	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	1
INDEPENDENT AUDITOR'S REPORT	6
BASIC FINANCIAL STATEMENTS	
<i>Government Wide Financial Statements:</i>	
Statement of Net Assets	8
Statement of Activities	9
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Fund	10
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Fund to the Statement of Activities	12
<i>Notes to the Financial Statements</i>	13
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules– Major Governmental Funds <i>General Fund</i>	22
REPORTS REQUIRED BY GAO	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23
Schedule of Findings and Questioned Costs	25

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS**
For the Eighteen Months Ended June 30, 2010

Our discussion and analysis of the Seventeenth Judicial District Office of the Indigent Defenders' (The Office's) financial performance provides a narrative overview of the financial activities for the year. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

During the period under audit the Louisiana Public Defender Board advised all district public defender offices that the office would now be required to adopt a fiscal year end of June 30 instead of December 31. Therefore, the Louisiana Legislative Auditor reviewed the last annual financial report ending December 31, 2008 and determined that the next required report for the Seventeenth Judicial District Office of the Indigent Defenders would be for the eighteen month period ending June 30, 2010 and then annual reports for twelve months for subsequent year's would be required.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of a series of financial statements. The Government-Wide Financial Statements (GWFS) - The Statement of Net Assets and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of the finances. Fund Financial Statements (FFS) - The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

One of the most important questions asked about the Office's finances is, "Is the Office as a whole better off or worse off as a result of the period's activities?" The Statement of Net Assets and the Statement of Activities report information about the Office as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current period's revenues and expenses are taken into account regardless of when cash is received or paid.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
*For the Eighteen Months Ended June 30, 2010***

These two statements report the net assets and changes in them. You can think of the net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in the net assets are one indicator of whether its financial health is improving or deteriorating.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds—not the Office's operations as a whole. Some funds are required to be established by State laws. Other funds are established to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The Office utilizes only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at the period-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations at the bottom and following the fund financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this period's operations:

- Net assets of our governmental funds increased by \$228,087 or approximately 55%.
- During the eighteen months the Office had expenses of \$1,063,087 that were \$228,087 less than the \$1,291,174 generated in fees and other revenues for governmental programs.
- The governmental funds reported total ending fund balance of \$629,001. Fund balance for governmental activities increased by \$227,809 from the prior period - \$401,192.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS**
For the Eighteen Months Ended June 30, 2010

The Statement of Net Assets and the Statement of Activities reports governmental activities. All of the basic judicial services are reported as this type. Fines and fees charged to the public finance most of these activities.

FINANCIAL ANALYSIS OF THE OFFICE AS A WHOLE (GWFS)

As a result of the eighteen months of operations, net assets increased by \$288,087. The increase was mainly due to grants received from the state totaling \$436,651 and charges for services that totaled \$838,065; however, expenses totaled \$1,063,087. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed the majority of the change for the period under audit. The balance in net assets - \$643,120 represents the accumulated results of all past periods' operations.

The total revenues for the eighteen months in governmental activities were \$1,291,174 (\$838,065 in charges for services; \$436,651 in operating grants and \$16,458 in investment earnings and other revenues). The total cost of all judicial programs and services was \$1,063,087. Comparative information is not presented due to the change in the accounting year end and comparative results would be skewed from a twelve month period ending December 31, 2008 versus an eighteen month period ending June 30, 2010

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS (FFS)

The Office utilizes funds to control and manage money for particular purposes. Reviewing individual funds provides the information to determine if an entity is being accountable for the resources provided and may also give you more insight into the overall financial health.

The general fund reported an ending fund balance of \$629,001. This reflects an increase of \$227,809 from the last period. This increase is primarily due to the same results described within the analysis of the governmental activities.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS**
For the Eighteen Months Ended June 30, 2010

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the period. Authorized budget amendments were approved as follows:

Original Budgeted Revenue	\$ 672,013
Increase (Decrease) due to:	
Court cost and restitution	272,801
Intergovernmental Revenues	54,777
Interest income	(14)
Final Budgeted Revenues	<u>\$ 999,577</u>

Original Budgeted Expenditures	\$ 722,013
Increase (Decrease) due to:	
Salaries and related benefits	279,064
Panel attorneys and witness fees	76,696
Law Library	6,500
Legal and accounting	2,350
Insurance	3,750
Office supplies	4,703
Repairs and maintenance	(1,250)
Dues and subscriptions	1,000
Investigator expenses	10,000
Travel, conventions, and training	1,000
Rent	10,500
Telephone and utilities	4,500
Capital outlay	3,750
Final Budgeted Expenditures	<u>\$ 1,124,576</u>

CAPITAL ASSETS

The Office investment in capital assets, net of accumulated depreciation, for governmental activities was \$14,119.

This year there was \$5,374 of additions and no dispositions in capital assets. Depreciation expense of \$5,096 was charged to the governmental fund. More detailed information about the Office's capital assets is presented in Note 5 to the financial statements.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS**
For the Eighteen Months Ended June 30, 2010

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Among the factors considered in compiling the 2011 budget were:

1. any changes in rates and fees for the next fiscal year
2. personnel and benefit changes
3. any new laws and regulations enacted that would apply to the upcoming year
4. any new revenue sources or expenditures not previously encountered.

Highlights of next year's adopted budget for the general fund include:

Projected Beginning Balance	\$629,001
Anticipated Income for 2011	592,317
Anticipated Expenditures for 2011	892,317
Excess Expenditures over Revenues	(300,000)
Projected Ending Balance	\$329,001

CONTACTING THE OFFICE 'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Office's finances and to show the Office's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Lawrence Autin, Office Manager
Seventeenth Judicial District Office of the Indigent Defenders
204 Green Street
Thibodaux, LA 70301

BASIC FINANCIAL STATEMENTS



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Seventeenth Judicial District
Office of the Indigent Defenders
Lafourche Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Seventeenth Judicial District Office of the Indigent Defenders, State of Louisiana, a component unit of the Louisiana Public Defender Board as of and for the eighteen months ended June 30, 2010, which collectively comprise the basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the Seventeenth Judicial District Office of the Indigent Defenders' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Seventeenth Judicial District Office of the Indigent Defenders as of June 30, 2010, and the respective changes in financial position for the eighteen months then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 23, 2010, on our consideration of the Seventeenth Judicial District Office of the Indigent Defenders' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Stagni & Company

Thibodaux, Louisiana
December 23, 2010



**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Statement of Net Assets

June 30, 2010

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 582,791
Due from other governments	46,210
Total current assets	<u>629,001</u>
Noncurrent assets:	
Capital assets, net of depreciation	14,119
Total assets	<u><u>\$ 643,120</u></u>
 NET ASSETS	
Invested in capital assets	\$ 14,119
Unrestricted	<u>629,001</u>
Total net assets	<u><u>\$ 643,120</u></u>

See notes to financial statements.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Statement of Activities
For the Eighteen Months Ended June 30, 2010

Expenses:

Governmental activities:

General government - Judicial:

Personnel services	\$ 668,340
Related benefits	99,569
Panel attorneys and witness fees	181,884
Law library	22,843
Legal and accounting	5,845
Insurance	14,611
Office supplies	22,804
Repair & Maintenance	1,865
Dues and subscriptions	3,600
Travel, conventions, and training	2,012
Rent	31,500
Telephone	3,118
Depreciation	5,096
Total program expenses	<u>1,063,087</u>

Program revenues:

Charges for services	838,065
Operating Grants	<u>436,651</u>
Net program revenue	<u>211,629</u>

General revenues:

Unrestricted investment earnings	16,189
Other	<u>269</u>
Total general revenues	<u>16,458</u>

Increase in net assets	228,087
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Net assets:

Beginning of the year	415,033
End of the year	<u><u>\$ 643,120</u></u>

See notes to financial statements.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Balance Sheet - Governmental Fund

June 30, 2010

	General Fund
ASSETS	
Cash and cash equivalents	\$ 582,791
Due from other governments	46,210
TOTAL ASSETS	<u><u>\$ 629,001</u></u>

LIABILITIES AND FUND EQUITY

Equity:

Fund balances - unreserved, undesignated	\$ 629,001
TOTAL LIABILITIES AND FUND EQUITY	<u><u>629,001</u></u>

RECONCILIATION TO STATEMENT OF NET ASSETS:

Amounts reported for *governmental activities* in the
Statement of Net Assets are different because
Capital assets used in governmental activities
are not financial resources

14,119

Net assets of governmental activities	<u><u>\$ 643,120</u></u>
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See notes to financial statements.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund

For the Eighteen Months Ended June 30, 2010

REVENUES

Court cost on fines and forfeitures	\$ 808,172
Restitution	29,893
Grant from State of Louisiana	436,651
Interest Income	16,189
Other	269
TOTAL REVENUES	<u>1,291,174</u>

EXPENDITURES - JUDICIAL:

Current:

Salaries and related benefits	668,340
Related benefits	99,569
Panel attorneys and expert witness fees	181,884
Law library	22,843
Legal and accounting	5,845
Insurance	14,611
Office supplies	22,804
Repairs and maintenance	1,865
Dues and subscriptions	3,600
Travel, conventions, and training	2,012
Rent	31,500
Telephone	3,118
Total current expenditures	<u>1,057,991</u>
Capital outlay	5,374
TOTAL EXPENDITURES	<u>1,063,365</u>

**EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES**

227,809

FUND BALANCE:

Beginning of year	<u>401,192</u>
End of year	<u><u>\$ 629,001</u></u>

See notes to the financial statements.

SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Eighteen Months Ended June 30, 2010

Net change in fund balances - governmental fund (FFS) \$ 227,809

Amounts reported for *governmental activities* in the statement of activities
(GWFS) are different because:

Governmental funds report capital outlays as expenditures in the individual fund.
Governmental activities report depreciation expense to allocate the cost of those
capital assets over the estimated useful lives of the asset.

Capital outlay	5,374	
Depreciation expense	<u>(5,096)</u>	
		<u>278</u>

Change in net assets of governmental activities (GWFS) \$ 228,087

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Eighteen Months Ended June 30, 2010**

INTRODUCTION

The Seventeenth Judicial District Office of Indigent Defenders (the Office) formerly known as the Seventeenth Judicial District Board, was established in compliance with Louisiana Revised Statutes 15:144-149. Pursuant to the passage of Act 307, district indigent defender boards throughout the State of Louisiana were dissolved and district offices of public defender were created, all serving under the direction of the Louisiana Public Defender board headquartered in Baton Rouge. This change went into effect August 15, 2007. This local office now functions as the Seventeenth Judicial District Office of Indigent Defenders under the supervision of a District Director (domiciled with the Seventeenth District) in charge of day to day operations, serving the Seventeenth Judicial District. Its purpose is to provide and compensate legal counsel appointed to represent indigents in criminal and quasi-criminal cases before the Seventeenth Judicial District Courts and the City Court of Thibodaux. The judicial district encompasses the Parish of Lafourche.

During the period under audit the Louisiana Public Defender Board advised all district public defender offices that the office would now be required to adopt a fiscal year end of June 30 instead of December 31. Therefore, the Louisiana Legislative Auditor reviewed the last annual financial report ending December 31, 2008 and determined that the next required report for the Seventeenth Judicial District Office of the Indigent Defenders would be for the eighteen month period ending June 30, 2010 and then annual reports for twelve months for subsequent year's would be required.

Revenues to finance the Office's operations are provided primarily from court cost, fines and forfeitures of bonds imposed by the courts. During the period audited 6,074 cases were opened. The Office employed twelve employees who include the chief district defender, six assistant indigent defenders, an office manager/investigator, and four secretaries.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Eighteen Months Ended June 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting entity

Governmental Accounting Standards Board Statement No. 14 "The Financial Reporting Entity", sets forth the standards for defining and presenting the reporting entity in financial statements. To fairly present the financial position and results of operations of the financial reporting entity, a government must determine whether its reporting entity consists of only the legal entity known as the "primary government" or one or more organizations called "component units."

According to GASBS No. 14, the Seventeenth Judicial District Office of the Indigent Defenders is considered a component unit. In accordance with Act 307 of the Louisiana Legislature for the year 2007, district indigent defender boards throughout the State of Louisiana were dissolved and district offices of public defender were created, all serving under the direction of the Louisiana Public Defender board headquartered in Baton Rouge. The Board's powers and duties were transferred to the District Director as of August 15, 2007. This act does not alter the entity or any of its activities or functions, only the governance. The District Director's authority is contingent upon the approval of the Louisiana Public Defender Board, who appointed and may relieve the District Director of his duties.

Inclusion of a "potential component unit" in the primary government's reporting entity depends on whether the primary government is financially accountable for the potential component unit. The key criteria for deciding financial accountability are any one of the following:

- a. Fiscal dependency of the potential component unit on the primary government, or
- b. The primary government appoints a voting majority of the potential component unit's governing body and:
 1. the primary government can impose its will on the potential component unit and/or
 2. a financial benefit/burden relationship exists between the primary government and the potential component unit; or
- c. The primary government's financial statements would be misleading or incomplete if the potential component unit were excluded.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Eighteen Months Ended June 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting entity (Continued)

The Office's financial statements include all funds and activities et cetera, that are within the oversight responsibility of the Seventeenth Judicial District. Other local governments over which the Seventeenth Judicial District Office of the Indigent Defenders exercises no oversight responsibility are excluded from the accompanying financial statements. These units are considered separate reporting entities and issue financial statements separate from those of the Office.

C. Fund accounting

The Office's accounts are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

The Office reports the General Fund as a governmental fund. The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

D. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Changes in Net Assets report information on all of the non-fiduciary activities. Governmental activities are reported separately from business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Eighteen Months Ended June 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Court costs, fines, forfeitures, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when it is received by the government.

E. Deposits

Cash includes amounts in interest-bearing demand deposits. Under state law, the Office may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under laws of the United States.

F. Capital assets

Capital assets that include property, plant and equipment, are capitalized at historical cost or estimated cost and depreciated over their estimated useful lives. Donated assets are recorded as capital assets at their fair market value at the date of donation. The Office maintains a threshold level of \$300 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Eighteen Months Ended June 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital assets (Continued)

Estimated useful life if management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

- | | |
|-------------|------------|
| • Equipment | 3-10 years |
| • Furniture | 5 years |
| • Law books | 5 years |

G. Compensated absences

Employees of the Office receive five (5) to twenty (20) working days of sick leave depending on their years of service and two (2) weeks to three (3) weeks of vacation leave each year after the employee has been employed for a period of twelve months, depending on their years of service. Unused leave may not be accumulated and is not paid upon termination or retirement; therefore, there are no leave benefits that are required to be reported in accordance with GASB Codification C60 or GABS Statement No. 16.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information:

A balanced operating budget is prepared by the District Director and the Financial Officer. This took place in March 2009 and was amended in June 2009 for the year end change. The budget may be amended during the year as conditions dictate so long as it remains in balance. The original budget was amended during the year.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Eighteen Months Ended June 30, 2010**

NOTE 3 DEPOSITS

Deposits (demand deposits, interest bearing demand deposits, time deposits, and certificates of deposit) are recorded at cost, which approximates fair value. The reported amount of deposits is as follows:

ACCOUNT	
Capital One interest-bearing checking account	\$ 172,680
Mid South Bank certificate of deposit	101,437
ASI Federal Credit Union certificate of deposit	208,674
South Lafourche Bank certificate of deposit	100,000
TOTAL	\$ 582,791

Custodial credit risk is the risk that in an event of a bank failure, deposits may not be returned. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities must be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

For the eighteen months ended, the Office had \$605,897 in deposits (collected bank balances). These deposits are secured fully by federal deposit insurance; therefore, none of the Office's deposits were exposed to custodial credit risk.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 DUE FROM OTHER GOVERNMENTS

The balance due from other governments of \$46,210 is for court cost, fines and forfeitures fees collected and due from other governmental entities as follows:

Lafourche Parish Sheriff	\$36,066
City Court of Thibodaux	\$ 6,470
Lafourche Parish District Attorney	\$ 3,674

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Eighteen Months Ended June 30, 2010**

NOTE 5 CAPITAL ASSETS

Capital assets and depreciation activity as of and for the eighteen months is as follows:

Governmental activities	Furniture, Equipment, And Library
Balance at December 31, 2008	\$ 104,153
Additions	5,374
Deletions/Adjustments	-
Balance at June 30, 2010	109,527
Less: Accumulated Depreciation	(95,408)
Total capital assets, net	\$ 14,119

Depreciation expense of \$5,096 was charged to governmental activities.

NOTE 6 PENSION PLAN

Plan Description. All full-time employees of the Seventeenth Judicial District Office of the Indigent Defenders are members of the Parochial Employees Retirement System of Louisiana (the System), a cost sharing, and multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All full-time employees of the Office are members of Plan B.

All permanent employees working at least 28 hours per week whom are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan B employees hired prior to 1/1/07 who retire at or after age 65 with at least 7 years of creditable service, at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 per cent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive months that produce the highest average for those employees hired prior to 1/1/07. Employees hired 1/1/07 and later who retire at or after age 67 with 7 years creditable service, at or after age 62 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 per cent of their final-average salary for each year of creditable service. Final Final-average salary is the employee's average salary over the 60 consecutive months that produce the highest average for those employees hired prior to 1/1/07.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Eighteen Months Ended June 30, 2010**

NOTE 6 PENSION PLAN (Continued)

Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System, P.O. Box 14619., Baton Rouge, Louisiana 70898, or by calling (225) 928-1361.

Funding Policy. Under Plan B, members are required by state statute to contribute 3.0 percent of their annual covered salary and the Office is required to contribute at an actuarially determined rate. The current rate is 10 percent of the annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the board are established and may be amended by state statute.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actual valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Office's contributions to the System under Plan B for the eighteen months ending June 30, 2010 and the years ending December 31, 2008 and 2007, were \$48,441 (6.25% for fiscal year 2009 and 10% from Jan 2010 to June 2010), \$24,854 (6%), and \$23,838 (5 ¾%), respectively, equal to the required contributions for each period.

NOTE 7 RISK MANAGEMENT

The Office is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; injuring to employees. The Office purchased commercial insurance policies for any and all claims relating to the above types of risks. The Office's is only liable for the payment of the deductible associated with the above types of risks. Settlements have not exceeded insurance coverage in any of the three preceding years.

NOTE 8 OPERATING LEASE

The Seventeenth Judicial District Office of the Indigent Defenders entered into an operating lease to rent a single story brick building located at 204 Green Street for a period of three

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Eighteen Months Ended June 30, 2010**

NOTE 8 OPERATING LEASE (continued)

years commencing on August 14, 2007 and ending on August 31, 2010 at a monthly rate of \$1,750.

NOTE 9 Governmental Fund Revenues and Expenditures

For the eighteen months ended June 30, 2010, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government			
Grants	\$ 436,651		
Total		\$ 436,651	
Local Government			
Court costs, and other	838,065		
Total		838,065	
Investment Earnings			16,189
Miscellaneous			269
Total Revenues			<u>\$1,291,174</u>

Expenditures:

Personnel Services and Benefits			
Salaries	\$ 668,340		
Retirement Contributions	48,441		
Payroll taxes	51,128		
Total		\$ 767,909	
Professional Development			
Dues, licenses, and registrations	4,887		
Travel	725		
Total		5,612	
Operating Cost			
Library and research	22,843		
Contract Services - Attorney/Legal	178,992		
Contract Services - Other	8,737		
Lease - Office	31,500		
Insurance	14,611		
Supplies	22,804		
Repairs and Maintenance	1,865		
Utilities and telephone	3,118		
Total		284,470	
Capital Outlay			5,374
Total Expenditures			<u>\$1,063,365</u>

***REQUIRED SUPPLEMENTARY
INFORMATION***

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Budgetary Comparison Schedule - General Fund
For the eighteen months ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Court cost on fines and forfeitures	\$ 535,777	\$ 798,958	\$ 808,172	\$ 9,214
Restitution	15,760	25,380	29,893	4,513
Grant from the State of Louisiana	110,447	165,224	436,651	271,427
Interest Income	10,029	10,015	16,189	6,174
Other	-	-	269	269
Total revenues	<u>672,013</u>	<u>999,577</u>	<u>1,291,174</u>	<u>291,597</u>
EXPENDITURES				
Current:				
Salaries	448,730	692,368	668,340	24,028
Related benefits	63,252	98,678	99,569	(891)
Panel attorneys and witness fees	116,236	192,932	181,884	11,048
Law library	13,000	19,500	22,843	(3,343)
Legal and accounting	4,300	6,650	5,845	805
Insurance	7,500	11,250	14,611	(3,361)
Office supplies	9,995	14,698	22,804	(8,106)
Repairs and maintenance	2,500	1,250	1,865	(615)
Dues and subscriptions	2,000	3,000	3,600	(600)
Investigator expense	20,000	30,000	-	30,000
Travel, conventions, and training	2,000	3,000	2,012	988
Rent	21,000	31,500	31,500	-
Telephone and utilities	9,000	13,500	3,118	10,382
Total current expenditures	<u>719,513</u>	<u>1,118,326</u>	<u>1,057,991</u>	<u>60,335</u>
Capital outlay	<u>2,500</u>	<u>6,250</u>	<u>5,374</u>	<u>876</u>
Total expenditures	<u>722,013</u>	<u>1,124,576</u>	<u>1,063,365</u>	<u>61,211</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,000)	(124,999)	227,809	352,808
FUND BALANCE:				
Beginning of the year	401,192	401,192	401,192	-
End of the year	<u>\$ 351,192</u>	<u>\$ 276,193</u>	<u>\$ 629,001</u>	<u>\$ 352,808</u>

REPORTS REQUIRED BY GAO



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Seventeenth Judicial District
Office of the Indigent Defenders
Lafourche Parish, Louisiana

We have audited the basic financial statements of the Seventeenth Judicial District Office of the Indigent Defenders, State of Louisiana, a component unit of the Louisiana Public Defender Board as of and for the eighteen months ended June 30, 2010, and have issued our report thereon dated December 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Seventeenth Judicial District Office of the Indigent Defenders' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the Seventeenth Judicial District Office of the Indigent Defenders' effectiveness internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Seventeenth Judicial District
Office of the Indigent Defenders
Lafourche Parish Louisiana
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Seventeenth Judicial District Office of the Indigent Defenders' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
December 23, 2010



**SEVENTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Eighteen Months Ended June 30, 2010**

We have audited the financial statements of the governmental activities and major fund of the Seventeenth Judicial District Office of the Indigent Defenders, State of Louisiana, a component unit of the Louisiana Public Defenders Board as of and for the eighteen months ended June 30, 2010, which collectively comprise the basic financial statements, and have issued our report thereon dated December 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the basic financial statements as of June 30, 2010 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses	No
Significant Deficiencies	No

Compliance

Compliance Material to Financial Statements No

b. Federal Awards N/A

Internal Control

Material Weaknesses	No
Significant Deficiencies	No
Type of Opinion On Compliance For Major Programs	Unqualified <input type="checkbox"/> Qualified <input type="checkbox"/> Disclaimer <input type="checkbox"/> Adverse <input type="checkbox"/>

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐ Yes ☐ No

c. Identification of Major Programs: N/A

Section II Financial Statement Findings

NOT APPLICABLE

Section III Federal Award Findings and Questioned Costs

NOT APPLICABLE

